

**Ryan Prepared Opening Statement – The President’s FY10 Budget
March 3, 2009**

- *Thank Chairman Spratt. Welcome back Director Orszag.*
- For those of us who spend a good deal of our time focusing on the Federal Government’s fiscal policy, last week was quite a ride.
- It started out on a hopeful note.
- Monday: the President’s ‘Fiscal Responsibility Summit’ – a positive, bi-partisan meeting.
- And on Tuesday: President Obama’s address to Congress. In this eloquent speech, the President outlined our nation’s greatest challenges, as well as a laudable set of goals.
- But then came Wednesday. The House passed the omnibus, which increases discretionary spending by 8.6% – and included nearly 9,000 earmarks.
- And then Thursday, the President submitted his budget, and we got our first look at the *actual* numbers, and *actual* policies, that make up his plan for our nation’s future.
- Regrettably, the reality of the President’s budget falls far short of his inspiring words.
- The word I keep coming to in describing this budget is, ‘breathtaking.’ It calls for the most sweeping expansion of the Federal Government since the New Deal.
- It increases Federal spending to its highest level as a share of the economy since World War II. It increases the already unsustainable rate of entitlement spending by another *trillion* dollars over the next 10 years. And it puts us on a path toward nationalizing health care.

- It also increases taxes – *by \$1.4 trillion* – in the midst of one of the most painful recessions in generations. And to be clear, this is a tax hike on the very small business and investors we rely on to create about 80% of all American jobs – *the very jobs the government has already spent hundreds of billions in taxpayer dollars trying to help restore.*
- And further tax hikes – the so-called ‘cap-and-trade’ proposal – would increase taxes by at least another \$646 billion on families’ natural gas, electricity, home heating, and gasoline bills.
- This tax would also *further* erode job growth in the U.S. manufacturing sector – critical to the Wisconsin district I serve. And it would put American companies at a *further* competitive disadvantage with countries such as China – which, to my knowledge, has no intention of inflicting a similar tax on *its* businesses.
- While these tax hikes have been touted as necessary to achieving the President’s apparent feat of ‘cutting the deficit in half,’ this is an illusion aimed at claiming ‘fiscal discipline.’ According to CBO, the deficit would fall on its own – without the President or Congress doing anything.
- Even with all these tax increases, the President’s spending continues to outpace revenue for the entire budget period. The 2009 budget deficit swells to \$1.8 trillion – *more than triple the previous record.* The budget would also *double* the national debt in the next 8 years.
- And like the tax increases of this budget, its explosion of deficits and debt will consume the very resources required for any hope of solid, sustained future economic growth.
- Now, there are some good proposals in the budget for which the Administration deserves credit – such as indexing the AMT for inflation, and acknowledging the budgetary impact of this step. I was also pleased to see the proposed means-testing of the Medicare drug benefit, which I have always supported and have consistently included in the Republican budget substitute.
- Unfortunately, these virtues are overwhelmed by the very serious flaws in the budget.

- President Obama challenged Republicans to offer not only criticism when we disagree, but constructive alternatives. He's right – and we Republicans *have* done that.
- In the past two years, Republicans have offered complete alternative budgets that reduced deficits by controlling spending – not raising taxes. And last year, I introduced legislation – called A Roadmap for America's Future – that restructures and strengthens our largest entitlements, reforms health care, and simplifies and modernizes our tax code.
- To be clear, where we can find common ground, I welcome the opportunity to work with the President. But if reaching compromise means pursuing policies I believe will do more harm than good – I can't go along.
- I know we can do better than the budget before us today. I think we *have* to do better. And I hope to work with my colleagues – on both sides of the aisle – as well as the Administration, to craft fiscal policies that promote solid, sustainable economic growth, limit Federal spending to realistic levels, and set a path that ensures our nation can prosper in the future.